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## **Ongoing Reforms at PVSC Continue Getting Results for Ratepayers**

*Executive Director Announces 2% Decrease in 2012 Budget, \$10 million Capital Budget to Responsibly Plan for the Future*

**NEWARK** – The Passaic Valley Sewerage Commission's (PVSC) Executive Director Wayne J. Forrest announced today that as part of continuing efforts to reduce costs to its ratepayers, the PVSC released its 2012 budget with a 2% overall decrease, including a reduction in total dollars billed to users of \$2.86 million, or 2.2%. This is the second consecutive year the PVSC has reduced its overall budget.

The 2012 budget constitutes a significant spending reduction that takes into consideration the economic burdens encountered daily by the ratepayers within the PVSC's 5-county service area. This amounts to the first ever known budget reduction, now two years in a row, and the first ever known user charge reduction. The change in each municipality's user charge for 2012 will vary based on flow data for that municipality.

"This budget was brought forward at a 2% decrease through a comprehensive line by line analysis and aggressive efforts to improve operations, reduce waste, and increase efficiency. This included a significant restructuring of PVSC operations, while maintaining the agency's extremely important mission of protecting public health and environmental safety," said Forrest.

PVSC's total operating budget for 2012 will be \$157,839,949, a reduction of \$3,219,591 as compared to the 2011 budget, an overall decrease of 2%. In comparison to the 2010 budget there is a \$6,327,601 reduction, a 3.85% decrease. User Charges/Supplemental User Charges have been reduced by \$2.86M, a 2.2% decrease from 2011, and \$5.4M since 2010, an unprecedented decrease of 4.1%.

Aggressive management of the PVSC workforce and operations resulted in a 14.4% cumulative decrease in salaries and wages since 2010 and more than \$1 million in savings in legal spending by creating a legal department in June 2011.

Other cost-saving actions included: the termination of the health insurance broker of record and the enrollment of all active employees and retirees in the State Health Benefits Program at a savings of more than \$2.8M; abolishing the automatic salary "step" increases for all supervisory and other non-contractual union employees earning more than \$78,000; lowering the salaries of all employees who earned more than \$175,000; the execution of a new contract with gas and electric providers at a savings of more than \$5.7 million; reorganizing and restructuring top level management resulting in more than \$750,000 in savings; reestablishing an aggressive safety program resulting in fewer workers' compensation claims and payments amounting to a savings of over \$600,000; and the enhancement of the PVSC "Liquid Waste Acceptance Program" which increased revenue by more than \$1.3 million.

For the first time in known PVSC history, a capital budget will also be established as part of the 2012 budget at no cost to the ratepayer. The capital plan will continue PVSC's aggressive infrastructure upgrade which is focused on maintaining and modernizing the treatment facility which had its last major upgrade in the early 1980's.

"Creating a capital plan reinforces the continued vigilance by the PVSC in maintaining its infrastructure by providing both reliable treatment and stabilized rates," said PVSC Commissioner Kenneth J. Lucianin.

In order to protect and preserve local streams and rivers from water pollution, the Passaic Valley Sewerage Commission operates one of the country's oldest and largest treatment plants for the wastewaters of northern New Jersey, serving over 1.4 million people in five counties. With many expansions and upgrading to secondary treatment, the facility has been striving, since its creation in 1902 and its initial operation in 1924, to improve local water quality in accordance with federal and state water quality standards. Since the creation of the PVSC's River Restoration Program in 1998, which is charged with preserving and protecting over 100 miles of area waterways, the PVSC has removed over 9,000 tons of debris from the Newark Bay, the Passaic River and its tributaries, and sponsored over 700 individual clean-ups along shorelines and in communities, along with educating over 197,000 students on how they can help protect the Passaic River and our environment.

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